

# Forget the Dividends: Here Is How Investors Will Make Huge Capital Gains!

## Description

For the majority of retail investors, the proven path to long-term gains has always been through buying and holding dividend-paying stocks for a long period of time. Along the way, investors receive dividends that will increase over many years as the earnings and the share prices appreciate.

In spite of a very familiar and proven approach to accumulating wealth, there are still many investors who prefer to swing for the fences by investing in high-growth companies that have yet to prove themselves. For the companies that do turn a profit, the multiples being paid is typically very high and unjustified without major increases in profit. In spite of these higher-risk alternatives, if things do work out, investors can make substantial gains in their investments.

To begin with, shares of **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) have increased from close to \$120 to a current price near \$190 over the past year. The company (which has yet to report any meaningful profit) is barely cash flow positive, as the infrastructure to bring on new customers continues to be built. What many investors don't fully realize is the length of time that each customer will spend with the company. If the cost of a customer acquisition is equal to one or even two years of revenues, the only worry is if the [company](#) can make it through the next few years, as the customer base is extremely "sticky."

Shares of **Canada Goose Holdings Inc.** ([TSX:GOOS](#))([NYSE:GOOS](#)) are in a similar predicament, but it has started to turn a profit for investors. As a relatively new publicly traded company, shares of this apparel company still have many stones left unturned. With the potential to roll out many new products (into new segments of the apparel market), there will be no shortage of opportunities to increase the bottom line.

The final name for long-term investors to consider is none other than **Canopy Growth Corp.** ([TSX:WEED](#)), which, at a current price of \$39 per share, may be about to head substantially higher or potentially pull back substantially. In spite of a lot of potential to increase profits, the reality is that this name already has a lot of optimism baked in to the current share price. As has already been announced by the federal government, marijuana will be legalized during 2018, which has led to a frenzy. Sometimes the high-growth stories don't work out, as the amount of growth is overestimated.

Prior to taking any position, investors may want to take a step back and ask themselves what the outcome would be if things do not work out over the short term. In the case of the marijuana industry, the long-term potential of the industry is there to stay — whether the [product](#) is legalized in 2018 or 2019.

## CATEGORY

1. Investing

## POST TAG

1. Editor's Choice

## **TICKERS GLOBAL**

1. NYSE:GOOS (Canada Goose)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:GOOS (Canada Goose)
4. TSX:SHOP (Shopify Inc.)
5. TSX:WEED (Canopy Growth)

## **PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## **Category**

1. Investing

## **Tags**

1. Editor's Choice

## **Date**

2025/07/28

## **Date Created**

2018/05/24

## **Author**

ryangoldsman

default watermark

default watermark